



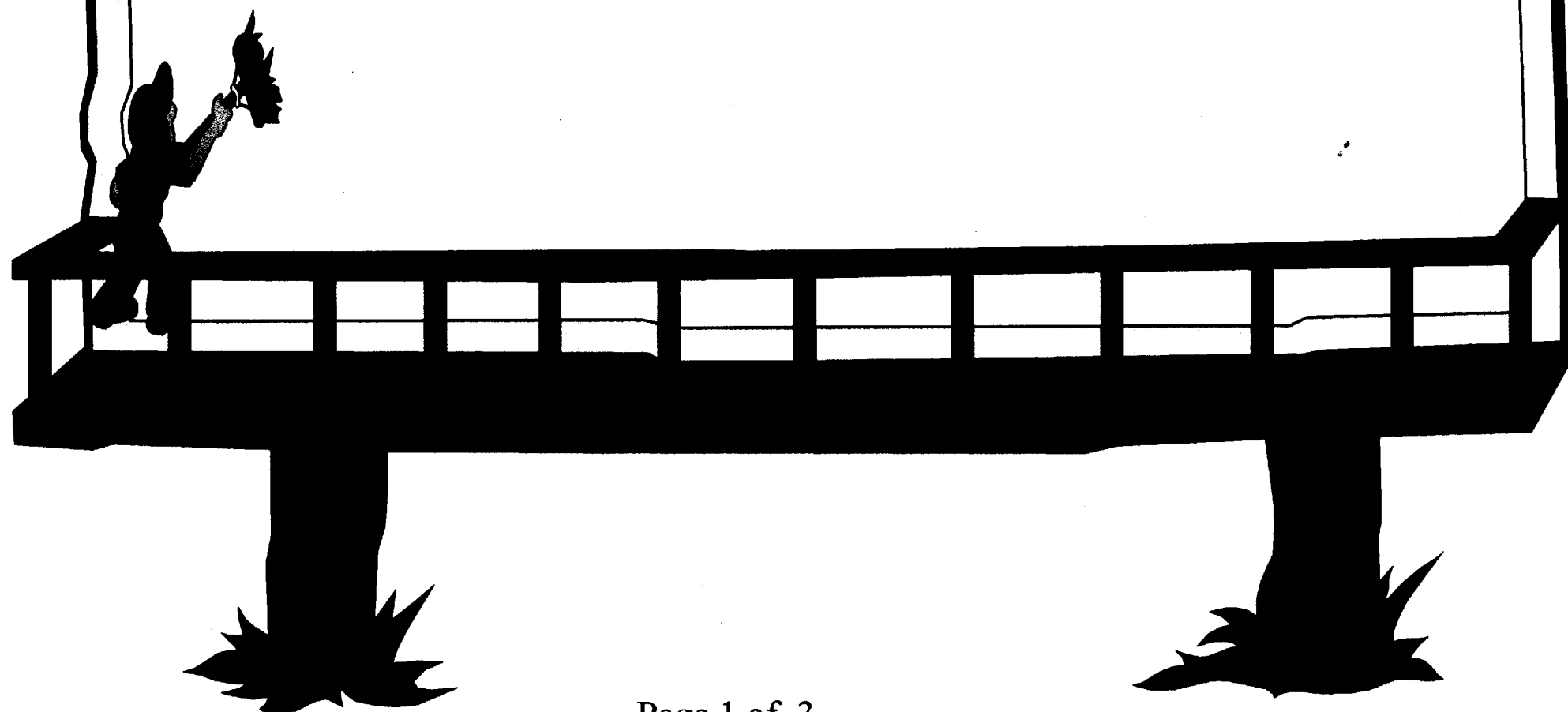
Headquarters Policy Flash

FLASH 2003-11

DATE: April 28, 2003
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, ME-61
Office of Procurement and Assistance Management

SUBJECT: **Federal Acquisition Circular (FAC) 2001-13**

SUMMARY: On March 18, 2003, FAC 2001-13 was published as a final rule in the Federal Register at 68 FR 13200. Contracting personnel should review the details of this FAC in the full text.



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Federal Acquisition Circular (FAC) 2001-13

The following items are in FAC 2001-13, which was published in the Federal Register on March 18, 2003, at 68 FR 13200. *The effective date for these items is April 17, 2003.*
The FAC is available via the internet at <http://www.arnet.gov/far/facsframe.html>

1. Contract Types for Commercial Item Acquisitions (FAR Case 2000-013)

This final rule amends FAR Part 12, Acquisition of Commercial Items, and Part 16, Types of Contracts to explain the application of award fees and performance or delivery incentives for certain commercial items acquisitions.

The rule clarifies how award fee and performance or delivery incentives based solely on factors other than cost may be used where statute prohibits the use of cost-type contracts in conjunction with firm-fixed price (FFP) contracts and fixed-price contracts with economic price adjustment (FP/EPA) without changing the nature of these contracts and requires the use of these contracts to the maximum extent practicable.

2. Performance for U.S. Flag Vessels-Subcontracts for Commercial Items (FAR Case 1999-024)

This final rule makes changes to limit the types of subcontracts for which the waiver of cargo preference statutes is applicable. This rule amends FAR Part 12, Acquisition of Commercial Items, Part 32, Contract Financing, Part 47, Transportation, and Part 52, Solicitation Provisions and Contract Clauses.

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3. Federal, State, and Local Taxes (FAR Case 2000-016)


This is a final rule that amends FAR Part 29, Taxes, and Part 52, Solicitation Provisions and Contract Clauses, in order to clarify prescriptions for the clauses pertaining to Federal, State, and Local Taxes. The final rule-

- ☞ Deletes the clause at FAR 52.229-5, Taxes-Contracts Performed in U.S. Possessions or Puerto Rico; and
- ☞ Moves the definition of local taxes from 52.229-5 to the clauses at FAR 52.229-3, Federal, State, and Local Taxes, and 52.229-4, Federal, State, and Local Taxes (State and Local Adjustments). In addition, the definition of local taxes is updated by adding U.S. territories and the Commonwealth of the Northern Mariana Islands, which are no longer considered possessions of the U.S.

4. Progress Payment Requests Under Indefinite-Delivery Contracts (FAR Case 2001-006)

This final rule amends FAR Part 32, Contract Financing, and Part 52, Solicitation Provisions and Contract Clauses to require the contractor, under indefinite delivery contracts, to account for and submit progress payment requests subject to each order as if each order constitutes a separate contract, unless otherwise specified in the contract.

Questions concerning this Flash should be directed to Denise Wright at (202) 586-6217 or via e-mail at denise.wright@pr.doe.gov


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cc:
PPAG Members